



OFFICE OF MANAGEMENT AND BUDGET
LOUISVILLE, KENTUCKY

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MEMO TO: Louisville Metro Council Government Oversight and Audit Committee

FROM: Daniel Frockt, Monica Harmon, Aaron Jackson

SUBJECT: Fiscal Impact of City of Heritage Creek Proposed Annexation of Undeveloped Land at 10001 Cedar Creek Road

DATE: May 14, 2021

This response is related to the request from the Louisville Metro Council Clerk dated May 4, 2021 to the Office of Management and Budget regarding the fiscal impact on Metro Louisville Government revenues from the proposed annexation of 56 undeveloped acres located at 10001 Cedar Creek Road by the suburban City of Heritage Creek.

The suburban City of Heritage Creek, located along the southeast corner of McNeely Park, is proposing to annex approximately 56 acres of adjacent undeveloped land with an approved zoning plan calling for 233 single family housing units on approximate 7000 square foot lots. Heritage Creek is the reconstituted and relocated City of Minor Lane Heights whose property in total was acquired by the Louisville Airport Authority expansion project in the late 1990's as part of the creation of the Louisville Renaissance Zone project. The current City of Heritage Creek is comprised of approximately 494 (2010) homes with a 2019 U S Census Bureau population estimate of 1133.

Metro Louisville stands to lose approximately \$45,440 annually in 2021 dollars of Insurance Premium Taxes as this proposed annexation area of 56 acres is developed. In addition, Metro Louisville stands to lose approximately \$11,650 annually in State Municipal Road Aid Revenue which is based upon decennial census population counts. This analysis is based upon the 2019 U S Census Bureau estimates along with comparisons of other local suburban city Comprehensive Annual Financial Reports.

In addition, some amounts of population formula based Federal and State grants would be lost going forward.